

# EXHIBIT 4

## LIFE PARTNERS HOLDINGS, INC.



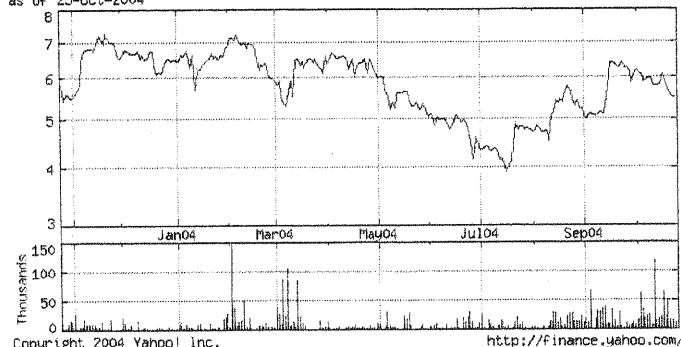
## COMMITMENT COMMITTEE

**Life Partners Holdings, Inc. (LPHI)****Private Placement:**

Maxim Role:	Placement Agent
Gross Proceeds:	\$5 to \$50 million
Securities Offered:	Maxim Settlement Strategic Fund 1
Use of Proceeds:	Proceeds will be used for the acquisition and warehousing of a portfolio of Senior Life Settlements

**Corporate Information:**

Stock Price (10/22/04)	\$5.50
52 Week Price Range:	\$3.56 - \$7.80
Market Capitalization:	\$51.5 million
Shares Outstanding:	9.4 million
Avg. Daily Volume:	19,954
Float:	3.8 million
LTM Revenue:	\$9.4 million
LTM EBITDA:	\$4.6 million
LTM Net Income:	\$3.2 million

**Stock Price Chart**LIFE PARTNERS HLDGS INC  
as of 25-Oct-2004**Transaction Overview:**

Life Partners Holdings, Inc. is the parent company of Life Partners, Inc. ("LPI" or the "Company"). LPI is a viatical settlement company in the United States. To supplement LPI's viatical business, the Company has expanded its operations and services to include life settlement transactions.

Current market conditions faced by institutional investors of life settlements dictate acquisition of policies in a portfolio format versus "one-off" assemblage. The Maxim Settlement Strategic (MSS) Fund 1 business model is aimed at filling this niche.

By assembling life settlements in portfolio form through the advantages inherent in LPHI's unique position within the life settlement originator sphere, MSS will provide value to its institutional clients.

**Investment Highlights:**

- There is currently \$16.3 trillion in face amount of life insurance in force within the U.S.
  - Of this amount, about 10% are policies sold for a specific purpose to the insured, (Key Man, estate planning, etc.) It is estimated about 50% or \$700 billion in face amount of these types of policies is considered marketable in the life settlements industry
  - Approximately 8.6% percent of all these types of insurance policies lapse prior to maturity
  - These policies are priced by the insurance companies to **lapse**
  - If insurance policies were priced by the insurance companies to maturity, they would be non affordable by a majority of individuals currently insured. It is this arbitrage that allows for the opportunity in investing in life settlements
- There exists an **unprecedented arbitrage opportunity to capitalize on the spread between the lapse rate and policy held to maturity.**
  - Started in the late 1990's, life settlement industry transferred approximately \$ 4 Billion in face in 2003. In 2006 the life settlement business is expected to grow to between \$15 and \$20 billion in face
- As the only publicly held life settlement originator in the world, LPHI is uniquely positioned for growth within the fast growing life settlements industry.
  - All investors are accumulating policies on a "one off" basis and experiencing difficulty in assembling portfolios in a timely manner.
  - LPHI has withstood the regulatory tests through the courts by prevailing against both the SEC and state regulators which allows LPHI to source policies from anywhere within the country, giving LPHI a highly desired position of being a primary mover.
- Benefits of owning a pool of life settlements are high potential returns without a parity of risk to capital, immunity from stock market volatility and bond yield erosion.
  - Investors looking to accumulate positions in non-correlated alternative investments have focused on assembling a portfolio of life settlements
  - Largely immune to fluctuations in interest rates
- Investors in settlements are located around the world with a significant fund presence in Germany, Britain, Switzerland, Asia and the U.S.

**Business Overview:**

CONFIDENTIAL INFORMATION This information is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy any security or related financial instrument. The summary includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934 and are intended to be covered by the safe harbor provisions for forward-looking statements.

- INTERNAL USE ONLY -



OCTOBER 2004

## COMMITMENT COMMITTEE

LPI conducts its business under the registered service mark of Life Partners. The Company's revenues are principally derived from fees for facilitating the purchase of viatical settlement contracts. To supplement LPI's viatical business, the Company has expanded its operations and services to include life settlement transactions.

### Viatical settlement:

- A viatical settlement is the sale of a life insurance policy by a terminally ill person to another party.
- By selling the policy, the insured (a viator) receives an immediate cash payment to use as he or she wishes.
- The purchaser takes an ownership interest in the policy at a discount to its face value and receives the death benefit under the policy when the viator dies.

### Life settlement:

- A life settlement differs from a viatical settlement in that the insured in a life settlement is not terminally ill, is typically 70 years of age or older, and has a life expectancy of ten years or less.
- Senior life settlements appeal to persons who purchased life insurance for income protection or estate planning, but no longer need the insurance due to growth in their investment portfolios or other changes in circumstances.
- The settlements also appeal to persons who want to make immediate gifts to their beneficiaries.

The Company matches viators or life settlers with purchasers. LPI locates potential viators and life settlers through a network of brokers, insurance, financial and estate planning professionals, through personal referrals and through Internet and print media advertising. Brokers are typically compensated based on a percentage of the face value of a viator's policy, which is paid upon the closing of a settlement, while estate planning professionals and financial planners often operate on a fee-for-service basis, which is paid directly by their client. The Company has long-term relationships with many viatical and life settlement brokers. During the fiscal year ended February 29, 2004, broker referrals accounted for 75% of the Company's business.

### Growth Strategy:

- Raise a minimum of \$5 million to a maximum of \$50 million for the purpose of acquiring and warehousing a portfolio of Senior Life Settlements
  - Acquire policies from proprietary sources
- Capitalize on the opportunity to realize significant profits from spread between the lapse rate and the policy held to maturity
  - Profit represents difference between the face value of a policy received upon death of the insured and the

total of discounted acquisition cost, premiums and other fees

- Sell policies to fund investors at a higher ("marked up") price.
- Generate significant returns on investment

### Risk Factors:

**The Company is operating in markets that may change dramatically**

- LPI operates in the viatical and senior life settlement markets. The viatical settlement market is just over a decade old. While the market saw tremendous growth in its initial years, the market growth in recent years has moderated somewhat.
- The senior life settlement market is less than six years old. How and to what extent it will develop is uncertain.
- The development of the senior life settlement market will depend heavily upon the entry of institutional purchasers.

**Rates of return may be projected but cannot be guaranteed**

- Advances in science and medicine may increase a viator's life beyond that which can be foreseen. This is true not only because of possible breakthroughs in treatments and cures for AIDS and cancer but also because many other variables such as:
  - The experience of the medical personnel making the prediction;
  - Nature of the viator's illness; and
  - If the viator has AIDS, the definition used by the viatical company

### LPI must develop its life settlement referral network

- An impediment to LPI's expansion in the life settlement market could be the difficulty in identifying a large volume of potential sellers.
- These sellers are typically affluent persons over the age of 70 and not terminally or chronically ill. The target market is relatively narrow and advertising methods such as direct mailings or print media advertising are not likely to be cost-effective.

### Management Team:

**Brian Pardo, President and Chief Executive Officer**

- Mr. Pardo has served as the CEO of LPI since its incorporation in 1991.
- Currently holds approximately 54% of LPI's common stock.
- Mr. Pardo is one of the pioneers of the viatical settlement and senior life settlement industries. He has been certified as an expert in the field of viatical settlements and has testified on that subject on numerous occasions.



OCTOBER 2004

## COMMITMENT COMMITTEE

- Mr. Pardo served our nation from 1964 through 1966 as a helicopter gunship pilot in Vietnam.

### **R. Scott Peden, *General Counsel, Secretary***

- R. Scott Peden . Mr. Peden has served as the General Counsel and Secretary of the Company and the President and Chief Operating Officer of LPI since 2000.
- Prior to 200, Mr. Peden served as Vice President and General Counsel for LPI since its incorporation in 1991.
- Mr. Peden has been certified as an expert in the field of viatical settlements and has testified on that subject on many occasions. He designed the structure of the viatical settlement transaction that is widely used throughout the industry.
- Mr. Peden holds a Bachelor of Arts degree from Trinity University and a Juris Doctor from Baylor University School of Law.

### **Michael T. Beste, *President of Institutional Division***

- Has served as the LPHI's primary contact with all institutional investors, Wall Street firms, Bulge Bracket Banks as well as reinsurers during his tenure.
- Mr. Beste joined the Company in April 2000. Before his association with LPI, he served as Director of Finova Realty Capital in Dallas, Texas, where he worked with conduit lenders and equity investment firms to provide capital solutions for commercial real estate owners and developers as well as other specialty financing projects.
- Mr. Beste previously owned his own firm, RWB Investments for 7 years. RWB Investments focused on specialty financing, real estate and other investment opportunities.
- Mr. Beste holds a Bachelor of Science degree in General Business from Arizona State University.

### **Conclusion:**

- We believe a strategic alliance with LPHI represents a superior opportunity on two fronts.
- As the only publicly held life settlement originator in the world, LPHI is uniquely positioned for growth within the booming life settlements industry.
- Furthermore, LPHI has withstood the regulatory tests through the courts by prevailing against both the SEC and state regulators which allows LPHI to source policies from anywhere within the country, giving LPHI a highly desired position of being a primary mover.





OCTOBER 2004

**COMMITMENT COMMITTEE****FINANCIAL SUMMARY INFORMATION**

**CONSOLIDATED CONDENSED BALANCE SHEET**  
**AUGUST 31, 2004**

**ASSETS**

## Current assets:

Cash	\$1,776,334
Investmetn in income funds	3,196,865
Accounts receivable	2,960,474
Accounts receivable - other	85,452
Prepaid expenses	31,699
Total current assets	<u>8,050,824</u>

## Property and equipment

Land and building	911,063
Machinery and equipment	564,658
Transportation equipment	151,451
Accumulated depreciation	(373,200)
Net Property and equipment	1,253,972

## Other assets

Premium advances net of reserve	-
Other	170,655
Deferred income taxes	779,000

**TOTAL ASSETS**\$10,254,451**LIABILITIES AND SHAREHOLDERS' EQUITY**

## Current liabilities:

Accounts payable	1,659,306
Accrued liabilities	1,616,120
Current portion of LT debt	46,859
Deferred revenue	171,400
Income taxes payable	154,244
Total current liabilities	<u>3,647,929</u>

## Long term debt

478,056

## Shareholders Equity:

Common stock	95,704
Additional paid-in capital	10,411,150
Accumulated deficit	(3,733,147)
Acumulated other comprehensive loss	(166,810)
Less: Notes receivable	(478,431)
Less: Treasury stock	-
Total Shareholders' Equity	6,128,466

**TOTAL LIABILITIES &****SHAREHOLDERS' EQUITY**\$10,254,451



OCTOBER 2004

**DRAFT****EXECUTIVE SUMMARY****CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the Six Months Ended August 31,		For the Year Ended February 29,	LTM August 31,
	2004	2003	2004	2004
Revenues	\$11,106,853	\$8,075,255	\$15,596,825	\$18,628,423
Brokerage fees and referral fees	5,609,370	3,776,915	7,379,266	9,211,721
Revenues, net of brokerage fees	5,497,483	4,298,340	8,217,559	9,416,702
Operating & administrative expenses:				
General & administrative	2,382,766	2,071,187	4,420,928	4,732,507
Accrued contingency costs	25,700	519	99,237	124,418
Depreciation	63,696	36,339	85,244	112,601
Income from operations	3,025,321	2,190,295	3,612,150	4,447,176
Other income (expenses):				
Interest and other income	160,367	150,687	213,346	223,026
Other expense	(245,570)	(150,011)	-	(95,559)
Interest expense	(16,133)	(375,043)	(385,106)	(26,196)
Realized loss	13,977	(94,500)	(20,699)	87,778
Income before income taxes	2,937,962	1,721,428	3,419,691	4,636,225
Income taxes:				
Current tax expense	1,082,500	916,260	1,557,200	1,723,440
Deferred tax (benefit)	(163,000)	(540,000)	(616,000)	(239,000)
<b>Net Income</b>	<b>\$2,018,462</b>	<b>\$1,345,168</b>	<b>\$2,478,491</b>	<b>\$3,151,785</b>
Earnings per share:				
Diluted	\$0.22	\$0.14	\$0.26	\$0.34
Average common and common Equivalent shares outstanding	9,403,415	9,446,785	9,456,748	